BEFORE THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF THE STATE OF MONTANA

In the matter of the amendment of ARM)	NOTICE OF PUBLIC HEARING
36.12.101, 36.12.102, 36.12.103, and)	ON PROPOSED AMENDMENT
36.12.1701 regarding water right)	
permitting)	

To: All Concerned Persons

- 1. On August 10, 2011, at 1:00 p.m., the Department of Natural Resources and Conservation will hold a public hearing in the Fred Buck Conference Room (bottom floor), Water Resources Building, 1424 Ninth Avenue, Helena, Montana, to consider the proposed amendment of the above-stated rules.
- 2. The department will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the department no later than 5:00 p.m. on July 25, 2011, to advise us of the nature of the accommodation that you need. Please contact Millie Heffner, Montana Department of Natural Resources and Conservation, 1424 Ninth Avenue, Helena, MT 59620, telephone (406) 444-9754, fax (406) 444-0533, e-mail mheffner@mt.gov.
- 3. The rules as proposed to be amended provide as follows, stricken matter interlined, new matter underlined:
- <u>36.12.101 DEFINITIONS</u> Unless the context requires otherwise, to aid in the implementation of the Montana Water Use Act and as used in these rules:
 - (1) through (3) remain the same.
- (4) "Applicant" means the <u>"person"</u>, as defined in 85-2-102(14), MCA, who files a permit or change application with the department.
- (5) "Application" for purposes of ARM 36.12.120 through 36.12.122, 36.12.1301, 36.12.1401, 36.12.1501, and 36.12.1601 means an application for beneficial water use permit, Form No. 600, including criteria addendum form No. 600A, 600B, or 600ACF, or an application to change a water right, Form No. 606, including criteria addendum Form No. 606A, 606B, 606ASW, or 606T.
 - (a) through (23) remain the same.
- (24) "Existing right", in addition to the <u>its</u> definition given the term by <u>in</u> 85-2-102(8), MCA, includes any appropriation of water commenced prior to July 1, 1973, if completed according to the law as it existed when the appropriation was begun.
 - (25) through (32) remain the same.
- (33) "Manifold" means two or more diversions from the same source, which are connected into a single system for the same project or development. An example of a manifold system is two pumps on one source, or two wells pumping from the same aquifer which divert water into the same reservoir or cistern.
 - (33) through (78) remain the same but are renumbered (34) through (79).

AUTH: 85-2-113, 85-2-308, 85-2-370, MCA

IMP: 85-2-113, 85-2-301 through 85-2-319, 85-2-321 through 85-2-323, 85-2-329 through 85-2-331, 85-2-335 through 85-2-338, 85-2-340 through 85-2-344, 85-2-350, 85-2-351, 85-2-360 through 85-2-364, 85-2-368, 85-2-370, 85-2-401, 85-2-402, 85-2-407, 85-2-408, 85-2-410 through 85-2-413, 85-2-415 through 85-2-419, 85-2-436, 85-2-437, 85-2-439, 85-2-501 through 85-2-514, 85-2-518, 85-2-520, MCA

<u>REASONABLE NECESSITY</u>: These amendments are reasonably necessary to remove obsolete earmarks and forms. The definition for "manifold" has also been moved to this rule from ARM 36.12.1701 since it a definition that applies throughout the subchapter.

- 36.12.102 FORMS (1) The following necessary forms for implementation of the act and these rules are available from the Department of Natural Resources and Conservation, P.O. Box 201601, Helena, Montana 59620-1601 and its Water Resources regional offices, or on the World Wide Web at http://dnrc.mt.gov/wrd/default.asp. The department may revise as necessary the following forms to improve the administration of these rules and the applicable water laws:
- (a) Form No. 600, "Application for Beneficial Water Use Permit", which must be submitted (for groundwater developments in excess of 35 gpm or ten acre-feet per year and surface water appropriations): :
- (i) Form No. 600A, "Criteria Addendum, Application for Beneficial Water Use Permit,"information must be submitted for appropriations of less than 4000 acre-feet and 5.5 cfs; or
- (ii) Form No. 600B, "Criteria Addendum, Application for Beneficial Water Use Permit," information must be submitted for appropriations of 4000 acre-feet or more and 5.5 cfs or more.
- (b) Form No. 602, "Notice of Completion of Groundwater Development", which must be submitted (for groundwater developments with a maximum use of 35 gpm or less, not to exceed ten acre-feet per year);
 - (c) Form No. 603, "Well Log Report";
- (d) Form No. 605, "Application for Provisional Permit for Completed Stockwater Pit or Reservoir", which must be submitted for a pit or reservoir with a (maximum capacity of the pit or reservoir must be of less than 15 acre-feet and a total appropriation of less than 30 acre-feet per year);
 - (e) Form No. 606, "Application to Change a Water Right"::
- (i) submission of this application must include information required by the following criteria addenda, when applicable:
- (A) Form No. 606B, "Supplement to Application to Change a Water Right" (for changes in purpose of use or place of use of 4000 or more acre-feet a year and 5.5 cfs or more);
- (B) Form No. 606ASW, "Supplement to Application to Change a Water Right" (for salvage water); or
- (C) Form No. 606T, "Temporary Change Supplement to Application to Change a Water Right".

- (f) remains the same.
- (g) Form No. 608, "Water Right Ownership Update": ;
- (i) Form No. 608A, "Addendum to Water Right Ownership Update Form for Apportioned Water Right".
 - (h) through (p) remain the same.
- (q) Form No. 634, "Replacement Well Notice", which must be submitted (for municipal wells that do not exceed 450 gpm, or for all other wells that do not exceed 35 gpm and ten acre-fee per year);
- (r) Form No. 635, "Redundant Well Construction Notice", which must be submitted (for redundant wells in a public water supply system as defined by 75-6-102, MCA);
 - (s) remains the same.
- (t) Form No. 637, "Reinstatement Request", which must be submitted (for reinstating to reinstate a permit or change authorization);
- (u) Form No. 638, "Water Reservation Application for Instream Flow", which must be submitted (for instream flow water reservation applications allowed under the United States of America, Department of Agriculture, Forest Service-Montana Compact, Article VI, section B);
 - (v) Form No. 639, "Waiver of Statutory Timelines";
- (<u>vw</u>) Form No. 640, "Certification of Water Right Ownership Update", <u>which</u> (must be completed and submitted to the county clerk and recorder with a Realty Transfer Certificate when a water right is being divided or exempted [(reserved)] from the property);
- (wx) Form No. 641, "DNRC Ownership Update, Divided Interest", which must be submitted (use for a water right that will be divided);
- (xy) Form No. 642, "DNRC Ownership Update, Exempt (Reserved) Water Right", which must be submitted (use for a water right that will be exempted [(reserved)] from a sale of land, and for which the seller will retain ownership of the water right); and
- (yz) Form No. 643, "DNRC Ownership Update, Severed Water Right", which must be submitted where a water right will be severed from the land. (use to sever a water right from land. A severed water right does not involve a land sale);-
- (aa) Form No. 644, "Notice of Replacement Point of Diversion", which must be submitted for replacement of surface water points of diversion under 85-2-402(18), MCA;
- (ab) Form No. 645, "Permit Registration for Groundwater Use Within the National Park Service Compact Area", which must be submitted for groundwater developments with a maximum use of 35 gpm or less, not to exceed ten acre-feet per year;
- (ac) Form No. 646, "Geothermal Heating/Cooling Notice of Completion", which must be submitted for groundwater developments for a geothermal purpose with a maximum use of 350 gpm;
- (ad) Form No. 647, "Notice of Completion of Emergency Fire Protection Development", which must be submitted for groundwater developments by local governmental fire agencies organized under Title 7, chapter 33, MCA, for emergency fire protection; and
 - (ae) Form No. 648, "Petition to Subordinate a State Water Reservation".

AUTH: 85-2-113, MCA

IMP: 85-2-113, 85-2-306, 85-2-311, 85-2-316, 85-2-402, 85-2-424, 85-20-

401, MCA

REASONABLE NECESSITY: The 2011 Legislature passed several bills that impact groundwater permitting. SB 103 created an exception in the permitting process for nonconsumptive geothermal use. Form No. 646 is needed to obtain the necessary information from water right owners who complete certain nonconsumptive geothermal groundwater developments. SB 128 exempts local governmental fire agencies that are organized under Title 7, chapter 33, MCA, from permitting requirements. Form No. 647 is needed to obtain the necessary information from water right owners who are completing a groundwater development for emergency fire protection. Form 644 is necessary to obtain information from water right owners replacing surface water points of diversion, and Form 645 is necessary to obtain information from an applicant who intends to appropriate groundwater in the National Park Service Compact Area under 85-2-402(18). The amendments also correct formatting and grammatical errors and remove obsolete forms.

- <u>36.12.103 FORM AND SPECIAL FEES</u> (1) A filing fee, if required, shall be paid at the time the permit, change, notice of completion, extension of time request, temporary change renewal, ownership update, or petition application (hereafter singularly or collectively referred to as application) is filed with the department.
- (a) The department will not process any application without the proper filing fee.
- (b) Failure to submit the proper filing fee within 30 days after notice shall result in a determination that the application is not correct and complete and it shall be terminated.
 - (2) The department will assess the following filing fees:
- (a) For an Application for Beneficial Water Use Permit, Form No. 600, filed pursuant to 85-2-330, 85-2-336, 85-2-341, 85-2-343, or 85-2-344, MCA, or in an administratively closed basin pursuant to 85-2-319, 85-2-321, or 85-2-322, MCA, or a controlled groundwater area pursuant to 85-2-506 and 85-2-507, MCA, or filed under a compact pursuant to Title 85, chapter 20, MCA, for all surface water, or a groundwater appropriation of greater than 35 gallons per minute, there shall be a fee of \$800;-
- (b) For an Application for Beneficial Water Use Permit, Form No. 600, filed pursuant to 85-2-330, 85-2-336, 85-2-341, 85-2-343, or 85-2-344, MCA, or in an administratively closed basin pursuant to 85-2-319, 85-2-321, or 85-2-322, MCA, or a controlled groundwater area pursuant to 85-2-506 and 85-2-507, MCA, or filed under a compact pursuant to Title 85, chapter 20, MCA, for a groundwater appropriation of 35 gallons per minute or less, there shall be a fee of \$200;-
- (c) For an Application for Beneficial Water Use Permit, Form No. 600, not filed pursuant to 85-2-330, 85-2-336, 85-2-341, 85-2-343, or 85-2-344, MCA, nor in an administratively closed basin pursuant to 85-2-319, 85-2-321, or 85-2-322, MCA, nor a controlled groundwater area pursuant to 85-2-506 and 85-2-507, MCA, nor filed under a compact pursuant to Title 85, chapter 20, MCA, for all surface water, or

- a groundwater appropriation of greater than 35 gallons per minute there shall be a fee of \$600;-
- (d) \$150, in addition to the fees in either (a), (b), or (c) for For an Interim Permit Request, Form No. 636;, there shall be a fee of \$150 in addition to (1)(a), (b), or (c).
- (e) \$125 for For a Notice of Completion of Groundwater Development (for groundwater developments with a maximum use of 35 gpm or less, not to exceed ten acre-feet per year), Form No. 602, filed for groundwater developments with a maximum use of 35 gpm or less, not to exceed ten acre-feet per year; there shall be a fee of \$125.
- (f) \$125 for For an Application for Provisional Permit for Completed Stockwater Pit or Reservoir (maximum capacity of the pit or reservoir must be less than 15 acre-feet), Form No. 605, filed for a pit or reservoir with a maximum capacity less than 15 acre-feet; there shall be a fee of \$125.
- (g) \$700 for For an Application to Change a Water Right, Form No. 606, there shall be a fee of \$700, except in the following instances, where there shall be a fee of \$200 fee when:
- (i) <u>if</u> the change application, Form No. 606, concerns a replacement well, greater than 35 gpm or ten acre-feet, or a municipal well that does not exceed 450 gpm, or replacement reservoir located on the same source; or
- (ii) <u>if</u> the change application, Form No. 606, concerns only moving or adding stock tanks to an existing system;-
- (h) \$200 for For an Application for Extension of Time, Form No. 607; there shall be a fee of \$200.
- (i) \$50, plus \$10 for each water right transferred after the first water right, for For a Water Right Ownership Update, Form No. 608, there shall be a fee of \$50, plus \$10 for each water right transferred after the first water right, . The total amount shall not to exceed a maximum of \$300;-
- (j) \$25 for For filing an Objection to Application, Form No. 611; there shall be a fee of \$25.
- (k) \$200 for For an Application to Renew a Temporary Water Right Change, Form No. 626; there shall be a fee of \$200.
- (I) \$1500 for For a Controlled Groundwater Area Petition, Form No. 630., there shall be a fee of \$1500, plus tThe petitioner shall also pay:
- (i) publication costs of the proposed rules in the Montana Administrative Register;
- (ii) photocopy and postage costs for copying and mailing the Administrative Rule Proposal Notice and appointment of the hearing examiner to all land owners and water right owners located within the proposed boundaries and other persons as required by 85-2-319, MCA;
- (iii) photocopy and postage costs for copying and mailing the Notice of Adoption and other documents as needed;
 - (iv) newspaper publication of the Notice of Rulemaking Hearing:
- (v) actual rental costs for the hearing location and required sound equipment as determined by the hearing examiner; and

- (vi) other costs of holding the hearing, conducting investigations or studies, and making records pursuant to 85-2-319, MCA, except the cost of salaries of the department personnel;
- (i) photocopy and postage costs for copying and mailing the appointment of the hearing examiner, notice of hearing, and petition to all land owners and water right owners located within the proposed boundaries, and other persons as required by 85-2-506, MCA;
- (ii) photocopy and postage costs for copying and mailing the hearing examiner's proposal for decision, final order, and other orders as needed;
- (iii) newspaper publication of the notice of hearing and orders as required by statute and the hearing examiner;
- (iv) actual rental costs for the hearing location and required sound equipment as determined by the hearing examiner; and
- (v) other costs of holding the hearing, conducting investigations or studies, and making records pursuant to 85-2-506 and 85-2-507, MCA, except the cost of salaries of the department personnel.
- (m) \$1500 for For a Petition for Closure of a Highly Appropriated Basin, Form No. 631., there shall be a fee of \$1500, plus tThe petitioner shall also pay:
 - (i) through (v) remain the same.
- (vi) other costs of holding the hearing, conducting investigations or studies, and making records pursuant to 85-2-319, MCA, except the cost of salaries of the department personnel;-
- (n) \$100 for For a Replacement Well Notice, Form No. 634; there shall be a fee of \$100.
- (o) \$50 for For a Redundant Well Construction Notice, Form No. 635; there shall be a fee of \$50.
- (p) \$200 for For a Reinstatement Request, Form No. 637; there shall be a fee of \$200.
- (q) \$800 for For a Water Reservation Application for Instream Flow, Form No. 638, there shall be a fee of \$800, plus Tthe applicant shall also pay:
 - (i) and (ii) remain the same.
- (iii) newspaper publication of the notice of hearing and orders as required by statute and the hearing examiner; and
- (iv) actual rental costs for the hearing location and required sound equipment as determined by the hearing examiner; and
- (v) other costs of holding the hearing, conducting investigations or studies, and making records pursuant to 85-2-506 and 85-2-507, MCA, except the cost of salaries of the department personnel.
- (r) \$50 for each divided water right on For Form No. 641, DNRC Ownership Update, Divided Interest; there shall be a fee of \$50 for each divided water right.
- (s) \$50 for each exempted water right on For Form No. 642, DNRC Ownership Update, Exempt (Reserved) Water Right;, there shall be a fee of \$25 for each exempted water right.
- (t) \$50 for each severed water right for For No. 643, DNRC Ownership Update, Severed Water Right;, there shall be a fee of \$50 for each severed water right.
 - (u) \$400 for Form No. 644, Notice of Replacement Point of Diversion;

- (v) \$200 for Form No. 645, Permit Registration for Groundwater Use Within the National Park Service Compact Area;
- (w) \$200 for Form No. 646, Geothermal Heating/Cooling Notice of Completion; and
- (x) \$125 for Form No. 647, Notice of Completion of Emergency Fire Protection Development.
 - (2) (3) There shall be no fees charged for filing the following forms:
- (a) Form No. 608A, Addendum to Water Right Ownership Update Form for Apportioned Water Right;
 - (b) and (c) remain the same but are renumbered (a) and (b).
 - (dc) Form No. 625, Correction to a Water Right; and
 - (d) Form No. 639, Waiver of Timelines;
 - (e) Form No. 640, Certification of Water Right Ownership Update; and-
 - (f) Form No. 648, Petition to Subordinate a State Water Reservation.
- (3) (4) The department will charge special <u>service</u> fees not to exceed reasonable amounts, including, but not limited to for the following services:
 - (a) microfilm, reader-printer copies;
 - (b) photostatic copies;
 - (c) requested computer services;
 - (d) blueprints or tracings;
- (<u>ae</u>) costs associated with contracting for professional hearings officer services:
 - (b) costs for computer data reports; and
- (c) reasonable public information access fees including copies, blueprints or tracings, audio copies of a hearing, and other requests as per 2-6-110, MCA, and department public information policy.
 - (f) audio copy of hearing.

AUTH: 85-2-113, MCA

IMP: 85-2-113, <u>85-2-306, 85-2-311,</u> 85-2-312, <u>85-2-402,</u> 85-2-436, <u>85-20-401,</u> MCA

REASONABLE NECESSITY: Pursuant to 85-2-113, MCA, DNRC may prescribe fees for public service provided under the Montana Water Use Act. DNRC evaluated processing costs for the new forms to determine the fee amounts for forms 642, 644, 645, 646, and 647. The proposed fees are expected to generate the following revenues (for a total of \$14,050 per year) and affect the following numbers of individuals: (1) Form No. 642: \$400 per year, approximately eight people; (2) Form No. 644: \$1600 per year, approximately four people; (3) Form No. 645: \$8800 per year, approximately 44 people; (4) Form No. 646: \$2000 per year, approximately ten people; and (5) Form No. 647: \$1250 per year, approximately ten local governmental fire agencies. The amendments also correct formatting and grammatical errors.

<u>36.12.1701 FILING A PERMIT APPLICATION</u> (1) An application for beneficial water use permit (Form No. 600) must be filed when an applicant desires to use:

- (a) groundwater that exceeds 35 gallons per minute or a volume of 10 acrefeet;
- (b) groundwater developments that exceed 350 gallons per minute for nonconsumptive geothermal use; or for groundwater
- (c) groundwater sources within a controlled groundwater area, as required; or for
 - (d) all surface water appropriations.
- (2) An application must contain sufficient factual documentation to constitute probable believable facts sufficient to support a reasonable legal theory upon which the department should proceed with the application.
- (3) Form No. 600 and the applicable criteria addendum must be completed and must describe the details of the proposed project. The form and addendums must be filled in with the required information.
 - (2) Separate applications are required for:
- (4<u>a</u>) <u>Ee</u>ach source of supply-requires a separate application. For example, if an application is for two diversions, one on an unnamed source and another on a source to which it is tributary, two separate applications must be submitted, one for each source of supply: and-
- (b) multiple purposes supplied by different points of diversion on the same source. If the entire project is manifold into one system, then a single application is allowed.
 - (53) One application is allowed for:
 - (a) one purpose and multiple points of diversion on the same source; and-
 - (6) One application is allowed
- (b) for several purposes, if all the points of diversion supply all of the same purposes.
- (7) Separate applications are required if multiple purposes are supplied by different points of diversion on the same source, except if the entire project is manifold into one system, then a single application is allowed. "Manifold" means two or more diversions from the same source, which are connected into a single system for the same project or development. An example of a manifold system is two pumps on one source or two wells pumping from the same aquifer which divert water into the same reservoir or cistern.
- (4) An application must contain sufficient factual documentation to constitute probable believable facts sufficient to support a reasonable legal theory upon which the department should proceed with the application.
- (5) Form No. 600 must be completed and must describe the details of the proposed project. The form must be filled in with the required information. The following must be included in the permit application materials:
- (8<u>a</u>) Ccalculations, references, and methodologies used to determine flow rate, volume, or reservoir capacity must be included in the application materials:
- (9i) F_f low rate (in gallons per minute [gpm] or cubic feet per second [cfs]), volume (in acre-feet), or reservoir capacity (in acre-feet) figures will be rounded to the nearest tenth;
- (10b) The the source name, which must be identified as per standards outlined in ARM 36.12.114; must be followed.

- (11c) The the legal descriptions for the point of diversion and place of use, which must be identified as required under per ARM 36.12.110;-
- (12d) The the period of diversion, which must be identified as per standards outlined in ARM 36.12.112; must be followed.
- (13e) if an application involves a reservoir, the The reservoir standards as per outlined in ARM 36.12.113 must be followed; if an application involves a reservoir.
- (14<u>f</u>) The permit application materials must include a general project plan stating when and how much water will be put to beneficial use:
- (i) Ffor appropriations over 4000 af or more and 5.5 cfs or more, or for water marketing, additional information is required, as per by 85-2-310(4)(a), MCA;-
- (15g) if Pphotographs are included, they must include the name of the photographer, the date taken, and an explanation of what fact or issue the photograph is offered to verify:
- (16h) lif there are associated water rights to the application, they must be identified and additional information may be required:
- (17i) lif a permit application is to supplement another water right, the water right numbers and abstracts of the associated water rights; must be included in the application.
- (18j) Aan explanation of why supplemental water is needed and how the associated water rights will be managed; must be included in the application materials.
- (19k) The flow rate at which water will be diverted from the source of supply for each purpose, a reasonable volume of water for each purpose, and the period of time that water will be used for each purpose must be identified;
- (201) Aan application that is to only to increase the flow rate or volume must reflect a value of zero in the nonapplicable field. For example, if an applicant is applying to only increase the flow rate of water taken from a source, but no additional volume is needed, the application flow rate blank should be completed with the additional flow of water requested and the blank for acre-feet (volume) should reflect zero;
- (21m) linformation must be included in the application that explains why the time period for completion is requested. The explanation may include information about the cost and magnitude of the project and the complexity of the project or any other reason for the time period identified to complete the project; and-
- (22n) Aan applicant shall explain why required information is not applicable to the applicant's proposed project.

AUTH: 85-2-113, 85-2-302, MCA IMP: 85-2-302, <u>85-2-311</u>, MCA

REASONABLE NECESSITY: The 2011 Legislature passed several bills that impact groundwater permitting. SB 103 created an exception in the permitting process for nonconsumptive geothermal use. This amendment reflects the exception for a groundwater development that exceeds 350 gallons per minute for nonconsumptive geothermal use. The amendments also correct formatting and grammatical errors.

- 4. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted in writing to Millie Heffner, Department of Natural Resources and Conservation, 1424 Ninth Avenue, Helena, MT 59620; fax (406) 444-5918; or e-mail mheffner@mt.gov, and must be postmarked no later than 5:00 p.m. on August 11, 2011.
- 5. David Vogler, Department of Natural Resources and Conservation, has been designated to preside over and conduct the public hearing.
- 6. An electronic copy of this Notice of Public Hearing on Proposed Amendment is available through the department's web site at http://www.dnrc.mt.gov. The department strives to make the electronic copy of this Notice of Public Hearing on Proposed Amendment conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered.
- 7. The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies that the person wishes to receive notices regarding conservation districts and resource development, forestry, oil and gas conservation, trust land management, water resources, or a combination thereof. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be sent or delivered to the contact person in 4 above or may be made by completing a request form at any rules hearing held by the department.
- 8. The bill sponsor contact requirements of 2-4-302, MCA, apply and have been fulfilled. The bill sponsor was contacted by e-mail on June 30, 2011.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

/s/ Mary Sexton
MARY SEXTON
Director
Natural Resources and Conservation

/s/ Anne W. Yates ANNE W. YATES Rule Reviewer

Certified to the Secretary of State on July 5, 2011.